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MEMORANDUM FOR THE RECORD

Further Interviews - Project 6+24

1.   Fiscal Division

25X1A9A a. Everyone who's been on the vouchered payroll clears through Fiscal Division. The only advances which Fiscal makes are for travel - based upon travel orders - including shipment of effects. In an emergency (See memo from  , when time is of the essence, Fiscal might send a traveler to Finance to get an advance. This account is then transferred to Fiscal Division. Normally, Fiscal will make the advance, provided the traveler has no open balances in an advance account, and provided the amount of the advance will not exceed his "equity" in retirement, back pay, etc. Under certain circumstances, if the individual hasn't such "equity", Fiscal may require him to get a bond from a commercial bonding company (at his own expense).

25X1A9Ab. The main problem cited by   is in getting adequate advance notice of separations. However,   (Payroll Branch) says it only takes 10 minutes to  $\frac{1}{2}$  hour to clear people, and that they prefer having separating employees just walk in. If they had advance notice, and cleared an individual before hand, the situation might change between the date of clearance and date of separation.

25X1A9A c. When personnel clear through Fiscal's Payroll Branch, Payroll's supposed to call Travel Branch to determine whether there's been a travel advance (Payroll does not, in fact, make these calls. See   interview below).

25X1A7B d. Finance is supposed to call (don't know whether it always happens) Fiscal when a clearing employee has an UV obligation. Fiscal doesn't call Finance on vouchered obligations. If a separating employee has a vouchered obligation, Fiscal holds up his pay check. There have, in fact, been only two Fiscal advances in the field   in three years. All such advances are supposed to be made at headquarters. Fiscal makes many deductions from payroll to satisfy UV obligations for Finance.

25X1A9Ae.   had two suggestions: that everyone clear through both Fiscal and Finance (presumably, this is done by Counseling Branch); and that the Office of Personnel prepare a weekly list of pending separations, designating overt and covert. (Note: Personnel can't do this in many cases - they don't know.)

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25X1A9A f. [ ] says they've had only one or two cases of clearing individuals having obligations - in advances or salary overpayments. Payroll gets the cash difference, or holds up pay checks, retirement, etc.

g. Fiscal does not accept the form 21 alone as its authority to make final payments; it waits for the SF50.

25X1A9A 2. [ ] Payroll Branch, Fiscal Division

a. Says they don't know when someone's clearing until the individual appears with the form 21, usually on a Friday pay day.

25X1A9A b. When a separator appears, Payroll checks for leave indebtedness; asks separator if he has traveled (Note: They don't call Travel Branch unless individual says he's traveled. [ ] says only one of 300 may have an open travel advance account); determines where to mail final checks; explains final pay, etc. If separator has traveled, calls Travel Branch, sends separator to Travel if there's an open account. If separator settles with Travel, he's cleared out; if not, deduction is made from "equity". [ ] says they've never had a separator refuse to settle. If the separator hasn't been cleared with all points on the form 21, Payroll would call "Personnel Relations" (sic!). Payroll signs the form 21 for Fiscal Division, and this form is then placed in the individual's jacket at Payroll Branch.

25X1A9A c. Payroll Branch has no way of determining whether an employee has been overpaid or underpaid - they assume that an individual has been correctly paid because the accounts are in proper balances all along. What if an individual clearing out owes more money than he has coming? - Payroll would try to collect the sum from him. If he refused to pay, they'd turn over the case to the General Counsel. [ ] says they've never had a case.

25X1A9A d. One problem cited by [ ] separating employees sometimes don't bring final time and attendance records with them. Payroll now asks the separator if he's taken leave, later calls the employing Office.

e. Payroll cited several cases of employees who've gone on advanced sick leave, and not returned. Personnel should advise Fiscal, frequently don't.

25X1A9A3. [ ] O&L Branch

25X1A9A a. [ ] says there have been 4 new collection cases since October.

b. He showed me a memo dated January 20 from the Chief, WE/Admin to WE personnel, in which he asked that a weekly memo be sent to Finance Division advising of anticipated separation of WE personnel.

25X1A9A c. I spoke to [ ] about the bonding possibility; he said it would not be possible for security reasons.

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- 25X1A9A d. [ ] remarked, in reference to the entire problem, that much more money allocated to projects is disappearing than the amounts they're trying to collect from individuals. He says there are many projects for which they have no accountings, and that in many cases it's "ridiculous to ask for accountings". Finance doesn't charge project funds to individuals; and many of these funds are written off simply on the certificate of the division chief that the money has been properly spent.
- 25X1A9A e. [ ] case, the Stations goofed by writing off advances to [ ] as Station expenses, rather than sending 25X1A9A in T/A's. He says that if Stations sent in cables, as required by 25X1 [ ] a lot of Finance problems would be solved.
- 25X1A9A. [ ] Central Processing Branch
- 25X1A9A a. Says - contrary to a statement by [ ] of MPD - that Central Processing Branch does not give the form 21 to military personnel processing through CPB. I called [ ] of MPD, he confirmed this. 25X1A9A He said MPD gives these employees the clearance sheet, as well as a military clearance sheet.
- 25X1A9A b. [ ] also says that, contrary to statements by [ ], CPB does 25X1A9A not retain the form 33-49, Personnel Transfer and Clearance Sheet. This is collected from processing travelers, and sent to the Finance Division Payroll Section.
- c. If a returnee processing through CPB indicates that he intends to resign, CPB does nothing: simply tells the individual to report to his employing Office.
- d. CPB handles staff employees and military details, and occasionally staff agents (outside the buildings), who are going or returning to or from overseas, PCS or TDY. (CPB frequently knows when an individual's returning PCS, because it gets a copy of the travel order giving anticipated date of return. CPB is supposed to see all PCS and TDY returnees; doesn't. Sees all DD/P staff employees who go overseas under official cover.
- e. Procedures - see details in my notes. Incoming PCS staff employees are supposed to report to CPB immediately upon return. At CPB, passports and similar documents are surrendered (CPB doesn't ask about classified papers; they maintain that the field station will have gotten those), and the form 33-49 is turned in (sent to Finance Payroll Section along with CPB Returnee Payroll Information Sheet). CPB assists in preparation of travel vouchers, does not attempt to recover excess advances. Traveler also prepares a statement re: property (this is the form that goes to OL Inventory Disposal Section). Incoming TDY - CPB doesn't see them unless they need assistance. Incoming military - go first to MPD, which clears traveler, sends him to CPB with a check sheet; then handled as staff employee.

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Outgoing PCS staff employees. CPB clears out such personnel via phone calls to OCI, Logistics, Map Library, OTR, RI, Finance, Credit Union, and send individual to any of these wishing to see him. Also prepare form 61, Foreign Duty Data Sheet, which contains all information regarding the traveler's allowances, salary, etc. (this is the equivalent of the 33-49, going in the opposite direction). The original and two copies of this go to Finance Division, Travel Section, which sends the copies to the field. The individual takes one with him as authorization to the field to pay him.

In some cases (not including WE, SR, SE divisions and Commo), CPB prepares the Request for Advance, which the traveler takes to Finance to get his advance.

25X1A9A 5. I've asked [ ] of T&S, to get information on 10 questions (See A attached), all of which bear on the problem at hand. I also queried him about the suggestion [ ] had offered to Finance Division regarding the use of "scrip" - something like traveler's checks. [ ] said Finance had considered the proposal, and had decided that it would entail too much work in maintaining records of the scrip issued to individuals.

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6. Quoted below are statements from a Mgt/S report of survey of Finance Division (dated August 22, 1955), which was approved by the Comptroller and by the DD/S on September 26, 1955:

"...it has been necessary for Finance Division to establish many inefficient procedures because of its inability to obtain the necessary timely financial information from field stations and headquarters components of the Agency which expend confidential funds...factors over which Finance Division has little or no control, which waste many man hours...

- (1) The obtaining of proper payroll information on Staff Agents from the Area Divisions DD/P.
- (2) The obtaining of correct leave balances on personnel assigned to field stations.
- (3) Field Duty Status reports are not regularly received.
- (4) Many instances occur wherein an individual will be at headquarters on TDY and neither the field station nor a headquarters component will submit a Time and Attendance report.
- (5) Area Divisions fail to prepare Time and Attendance reports on all personnel returning to the Agency [ ]
- (6) There is excessive time lag in receiving correct leave balances [ ]

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- (7) Personnel are sometimes transferred from unvouchered to vouchered funds for promotion purposes and subsequently transferred back to unvouchered.
  - (8) There are instances in which two Time and Attendance reports are received on the same person, one stating that the individual departed headquarters for field at one date--the other giving a different date.
  - (9) Although  certain financial forms be used, many field installations will submit reports on forms of their own design.
  - (10) Insufficient documentation is submitted for the proper auditing of many station accountings and operational advances.
  - (11) Many documents are received in which the wrong allotment number is assigned by the allottee.
  - (12) Not all Staff employees and Staff Agents departing for overseas receive proper briefing on financial matters.
  - (13) Extension contracts are not always received on contract employees and contract agents.
  - (14) Contract cancellation actions on contract personnel are not always received.
  - (15) Many financial reports and dispatches are delayed in the Area Divisions and do not arrive promptly in Finance Division.
  - (16) There are numerous instances wherein financial documents enroute to Finance Division become separated in the Area Divisions."
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25X1A9A Have  look into:

1. Get figures on time lags in field accountings - various stations.
2. Possibilities of getting people bonded vs. UV advances.
3. How are individuals charged with funds which have been allotted to projects and then given to individuals?
4. How much money is written off on certification of a division chief that the money was properly expended?
5. Get figures on time lags in headquarters accounting - if I got an advance today (V or UV) how long before it would be posted in Finance or Fiscal?
6. What authority do stations have to advance money to individuals, and how do they get this authority?
7. What are possibilities of automatic deductions from salary of overdue advances and other obligations?
8. What is possibility of sending statements to individuals of all obligations - and credits - not just advances?
9. What is personal liability of an authorizing official?  
What is personal liability of a certifying officer or a division finance officer who clears someone out?
10. How do cover cos. acct for advances to contract agents? Is it possible to audit these accts when an agent resigns?
11.  advance listing and cables?

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